

**To:** Enesta Jones/DC/USEPA/US@EPA[]  
**From:** "Chris Casteel" <CCasteel@opubco.com>  
**Sent:** Thur 10/18/2012 6:14:11 PM  
**Subject:** FW: New Senate Report Reveals Economic Pain of Obama-EPA Regulations Put on Hold Until After the Election  
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[Link to Senate Report](#)  
[Link to Press Release](#)  
["A Look Ahead to EPA Regulations for 2013: Numerous Obama EPA Rules Placed On Hold until after the Election Spell Doom for Jobs and Economic Growth."](#)  
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From: Chris Casteel, The Oklahoman

Enesta,

I was hoping to get a comment from the EPA by 5:30 p.m. today if possible about Sen. Inhofe's claims that the EPA has postponed several new rules until after the election but plans to implement them beginning next year.

Thanks so much,

Chris Casteel  
202-459-4921

Inhofe quote: "This report is a wake-up call on the economic pain that the 'abusive' Obama-EPA plans to inflict next year - it reveals a President who is more concerned about saving his own job than the millions of Americans who are looking for one today."

From: matt\_dempsey@epw.senate.gov [mailto:matt\_dempsey@epw.senate.gov]  
 Sent: Thursday, October 18, 2012 9:15 AM  
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 Subject: New Senate Report Reveals Economic Pain of Obama-EPA Regulations Put on Hold Until After

the Election

New Senate Report Reveals Economic Pain of Obama-EPA Regulations Put on Hold Until After the Election  
Thursday, October 18, 2012

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New Senate Report Reveals Economic Pain of Obama-EPA Regulations Put on Hold Until After the Election  
Puts Spotlight on an Agency that has "Earned a Reputation for Abuse"

[Link to Senate Report](#)

[Link to Press Release](#)

Washington, D.C. - Senator James Inhofe (R-Okla.), Ranking Member of the Senate Committee on Environment and Public Works, today released a new EPW Minority Report entitled, "A Look Ahead to EPA Regulations for 2013: Numerous Obama EPA Rules Placed On Hold until after the Election Spell Doom for Jobs and Economic Growth."

This report enumerates the slew of environmental regulations that the Obama-Environmental Protection Agency (EPA) has delayed or punted on before the election while President Obama is trying to earn votes; but the Obama-EPA plans to move full speed ahead to implement this agenda if President Obama wins a second term. As this report reveals, these rules taken together will inevitably result in the elimination of millions of American jobs, drive up the price of gas at the pump even more, impose construction bans on local communities, and essentially shut down American oil, natural gas, and coal production.

"President Obama has spent the past year punting on a slew of job-killing EPA regulations that will destroy millions of American jobs and cause energy prices to skyrocket even more," Senator Inhofe said. "From greenhouse gas regulations to water guidance to the tightening of the ozone standard, the Obama-EPA has delayed the implementation of rule after rule because they don't want all those pink slips and price spikes to hit until after the election. But President Obama's former climate czar Carol Browner was very clear about what's in store for next year: she told several green groups not to worry because President Obama has a big green 'to-do' list for 2013 so they'll get what they want. The radical environmental left may not need to worry but what about hard working Americans who will lose their jobs and be subjected to skyrocketing energy prices thanks to the Obama-EPA?"

"This report also importantly puts the spotlight back on an Obama-EPA that has, as the Washington Post said, earned a 'reputation for abuse.' It serves as stark reminder that President Obama has presided over a green team administration that works every day to 'crucify' oil and gas companies and make sure that 'if you want to build a coal plant you got a big problem.'"

"This report is a wake-up call on the economic pain that the 'abusive' Obama-EPA plans to inflict next year - it reveals a President who is more concerned about saving his own job than the millions of Americans who are looking for one today."

Rules Delayed or "Punted" until 2013 by Obama-EPA

Greenhouse Gas Regulations: These regulations - which President Obama himself warned would be worse than global warming cap-and-trade legislation - will be an enormous burden on the American people. These rules will cost more than \$300 to \$400

billion a year, and significantly raise the price of gas at the pump and energy in the home. It's not just coal plants that will be affected: under the Clean Air Act (CAA), churches, schools, restaurants, hospitals and farms will eventually be regulated.

Thus far, EPA has issued regulations governing permit programs and monitoring requirements. Earlier this year, EPA proposed the first source specific greenhouse gas regulations - emissions standards for new power plants. The proposal paints an ominous picture for rate payers: the requirements are so strict they virtually eliminate coal as a fuel option for future electric power generation. In a thinly veiled political move, the agency has put off finalizing the proposal until after the election. Similarly, EPA has punted on standards for existing power plants as well as refineries - standards which will further drive up electricity and gasoline prices. Once these regulations are in place, EPA will proceed to issue regulations, industry by industry, until virtually every aspect of the American economy is constrained by strict regulatory requirements and high energy prices. Take for example, farms: under federal permitting requirements, sources (i.e. a farm whose aggregate emissions exceed CAA permitting thresholds) would be required to comply with costly permitting mandates and pay an annual fee for each ton of greenhouse gas emitted on an annual basis. Known as the "cow tax", there would be a cost-per-animal outcome. EPA itself estimates that in its best case scenario, there will be over 37,000 farms and ranches subject to greenhouse gas permits at an average cost of \$23,000 per permit annually, affecting over 90% of the livestock production in the United States.

**Ozone Rule:** As the New York Times reported last year, President Obama punted on tightening the ozone standard until after the election, admitting that the "regulatory burdens and regulatory uncertainty" would harm jobs and the economy - but he still pointed to the fact that it will be reconsidered in 2013. EPA itself estimated that its ozone standard would cost \$90 billion a year, while other studies have projected that the rule could cost upwards of a trillion dollars and destroy 7.4 million jobs. By EPA's own projections, it could put 650 additional counties into the category of "non-attainment," which is the equivalent of posting a "closed for business" sign on communities. Affected counties will suffer from severe EPA-imposed restrictions on job creation and business expansion, including large numbers of plant closures. The Times concluded: "The full retreat on the smog standard was the first and most important environmental decision of the presidential campaign season that is now fully under way. An examination of that decision, based on interviews with lobbyists on both sides, former officials and policy makers at the upper reaches of the White House and the E.P.A., illustrates the new calculus on political and policy shifts as the White House sharpens its focus on the president's re-election."

**Hydraulic Fracturing:** Today the Obama administration - through no less than fourteen federal agencies, including the EPA, the Department of Energy (DOE), the Bureau of Land Management (BLM), the Center for Disease Control (CDC), the Department of Agriculture (USDA), and the Securities and Exchange Commission (SEC) - is currently working to find ways to regulate hydraulic fracturing at the federal level, so that they can limit and eventually stop the practice altogether. In order to curtail hydraulic fracturing on public lands, BLM, under Secretary Salazar's control, will be finalizing new regulations sometime after the election, which will have serious impacts on domestic energy production. According to one study, "The total aggregate cost for new permits and well workovers resulting from this rule would range from \$1.499 billion to \$1.615 billion annually. This is a conservative estimate of the delays and costs associated with the proposed rule which equates to about \$253,800 per well, and \$233,100 per re-fracture stimulation." The Obama Administration's anti-hydraulic fracturing agenda doesn't stop there. In the months following the election, we can expect the EPA alone to: issue guidance for the usage of diesel fuels during hydraulic fracturing, which will strip states of the primacy granted to them through the Safe Drinking Water Act; complete a study - highly criticized and unsupported by multiple state and federal agencies - desperately attempting to link hydraulic fracturing to water contamination in Pavillion, WY; answer countless petitions filed by radical environmental organizations potentially leading to the back-door regulation of hydraulic fracturing through the Toxic Substances Control Act, Resource Conservation and Recovery Act, and Clean Air Act; and potentially introduce Effluent Limitations Guidelines for both shale gas extraction and coalbed methane.

**Florida Numeric Nutrient Criteria:** As the Associated Press reported, "When the Obama administration agreed to set the first-ever federal limits on runoff in Florida, environmental groups were pleased [...] Nearly three years later - with a presidential election looming and Florida expected to play a critical role in the outcome - those groups are still waiting." In 2009, EPA issued a Clean Water Act (CWA) determination that it would set federal numeric nutrient water quality standards for Florida. The proposed standards EPA unveiled in 2010 were criticized for being technologically and economically infeasible. Florida established its own nutrient criteria, and in 2011, petitioned EPA to withdraw the agency's January 2009 determination that numeric nutrient criteria are necessary in Florida, repeal federal rulemaking completed in 2010, and refrain from proposing or promulgating any further numeric standards. In June 2012 a Florida administrative law judge ruled that the state acted within its authority by establishing Florida-specific numeric nutrient standards for the state's inland waters. Florida certified its standards on June 13, 2012 and submitted it to EPA for approval. EPA had 60 days from this date to approve the rule or 90 days to disapprove it. EPA has only sent back an "initial response" that gives no indication whether or not EPA will approve the Florida rule. EPA has thus far punted both on enforcing their own standards and on responding to Florida's petition to establish their own standards.

**EPA's Water Guidance:** EPA's proposed new guidance document for waters covered by the CWA, proposed in April 2011, reinterprets recent Supreme Court decisions to allow EPA to expand federal control over virtually every body of water in the United States, no matter how small. EPA's own analysis of the document estimated that up to 17% of current non-jurisdictional determinations would be considered jurisdictional using the new guidance. Further, the guidance applies to the entire CWA, which will result in additional regulatory responsibilities for states. This dramatic expansion has received tremendous push-back from the regulated community, states, and municipalities who do not want to have extensive new federal authorities and the costs associated with additional CWA compliance pushed through in guidance. As Inside EPA reported in the spring of 2012, the guidance looks to be delayed until after the election. This guidance, much like greenhouse gas regulations, failed to pass as legislation when Democrats enjoyed overwhelming majorities in the House and the Senate.

**Stormwater Regulation:** In 2009, EPA announced, as part of the Chesapeake Bay Settlement Agreement, that the agency would propose new nationwide stormwater rules by September 2010 with final action by November 2012. EPA's advanced notice of proposed rulemaking proposed to expand the universe of federally regulated stormwater; establish a first time standard for post-construction stormwater runoff; require first time retrofit requirements on stormwater systems - which could include mandates on cities to change existing buildings, stormwater sewers, and streets; and mandate the use of "green infrastructure" techniques (like "green roofs," rain gardens, permeable pavement) to replace conventional stormwater management practices. All this will put enormous cost burdens on states and municipalities and on anyone who owns property or wants to develop property. If the final rule does everything EPA has proposed, it could be the most expensive rule in EPA history. According to EPA's website, the proposal has been punted until June 2013 and the final rule is due in December 2014.

**Tier III Gas Regulations:** EPA is preparing to propose a rulemaking called Tier III, which reduces the content of sulfur in gasoline from 30 ppm to 10 ppm. The cost of this rule could be up to \$10 billion initially and \$2.4 billion annually, and it could add up to 9 cents per gallon in manufacturing costs; these costs would inevitably be passed on to consumers at the pump. As a recent Energywire article explained, many on the far left believe that political motives caused President Obama to delay this rule until after the election.

**Boiler MACT Rule:** EPA's Boiler MACT standards are so strict that not even the best performing sources can meet them, so many companies will have no choice but to shut their doors and ship manufacturing jobs overseas. The rule has been projected to reduce US GDP by as much as 1.2 billion dollars and will destroy nearly 800,000 jobs. Because of bipartisan Congressional opposition to the standards, the agency is now reconsidering certain aspects of the rule. In what can only be seen as another politically calculated move, the new rule is now being held by the White House, presumably until after the election. Not only is this creating uncertainty among the regulated community, it is also fueling speculation that very few changes have been made to the rule and that the White House would prefer that it not be made public until after the election.

**Cement MACT Rule:** EPA's Cement MACT rule could cause 18 plants to shut down, throwing up to 80,000 people out of work. As more and more cement has to be imported from China, concrete costs for the construction of roads, bridges, and buildings that use cement could increase 22% to 36%. As with Boiler MACT, due to Congressional opposition, EPA is now reconsidering certain aspects of the rule, which will not be seen until after the election.

**316(b) Cooling Towers Rule:** EPA is planning to require the use of strict protections for fish in cooling reservoirs for power plants under the Clean Water Act. EPA's own estimates put the draft rule costs between \$384 million and \$460 million per year and have benefits of just \$17 million - a cost benefit gap of more than 22 to 1. As the Washington Guardian noted about the delay, "In its latest election-year delay of regulations, the Obama administration said Tuesday it will defer until next year acting on a Clean Water Act rule that could require expensive new construction at power plants to lower fish deaths. The postponement by the Environmental Protection Agency was not unexpected, with the agency having only recently completed a public comment period on its latest data. Still, the move to add another 11 months to the rulemaking marks the latest step by the administration to delay potentially controversial environmental rules until after the November election."

**Coal Ash:** EPA's proposed coal ash rule could cost \$79 to \$110 billion over 20 years, destroying 183,900 to 316,000 jobs; this will have disastrous impacts in states like Pennsylvania, West Virginia, Ohio and Missouri. As the Charleston Gazette reported, "Despite initial tough talk on the issue, Jackson issued a regulatory proposal that did not settle on a particular strategy." Politico also noted, EPA is "sitting on proposed regulations to declare coal ash to be a hazardous substance...Administrator Lisa Jackson has said the agency will issue a final coal ash rule by the end of the year, but environmentalists and coal ash recyclers aren't convinced."

**Farm Dust Regulations:** EPA has been regulating farm dust for decades and may tighten the standards as part its review of the National Ambient Air Quality Standards (NAAQS) for coarse particulate matter (PM10). Tightening the PM10 NAAQS would have widespread implications for rural America, as it could be below the amount of dust created during normal farming operations, and therefore be impossible to meet. If the standard is tightened, the only option for farmers to comply will be to curb everyday farm

activities, which could mean cutting down on numbers of livestock or the tilling of fields, or they may have to shrink or even end their businesses altogether.

Spill Prevention Control and Countermeasure (SPCC) Rule: EPA's Spill Prevention Control and Countermeasure (SPCC) Rule would require farmers and ranchers to develop and implement costly oil and gasoline spill prevention plans, placing a tremendous burden on the agricultural community. The original deadline was set for November 2011, but the rule was delayed due to pressure from Congress. EPA set a new SPCC deadline of May 10, 2013.

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